

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2413 - SB 2614**

February 9, 2016

**SUMMARY OF BILL:** Requires the Commissioner of the Department of Health to submit a report to the General Assembly on or before January 30 of each year concerning access to medical records for the prior calendar year. The report must include the following: the number of times medical records were accessed; the reason for the access in each instance; a description of any action taken as a result of each instance of access to records, including the date an action was taken and the office responsible for undertaking the action; the outcome of each action taken; a confirmation of whether the accessed information was subsequently destroyed in each instance; and the text of any policy, rule, or statute that addresses destruction of an accessed record.

Requires the Speakers of the Senate and the House of Representatives to be informed of each instance when access is requested with 30 days of each request. An effective date of July 1, 2016.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures –**

**\$34,400/One-Time/General Fund**

**\$12,900/One-Time/Division of Health Related Boards**

**\$12,900/One-Time/Board for Licensing Health Care Facilities**

**\$822,100/Recurring/General Fund**

**\$270,500/Recurring/Division of Health Related Boards**

**\$270,500/Recurring/Board for Licensing Health Care Facilities**

**Other Fiscal Impact – The Division of Health Related Boards had surpluses of \$2,782,762 in FY13-14, \$3,896,353 in FY14-15, and a cumulative reserve balance of \$27,255,722 on June 30, 2015. The Board for Licensing Health Care Facilities had operating net surpluses of \$386,355 in FY13-14 and \$401,492 in FY14-15.**

**Assumptions:**

- According to the Department of Health, it is a routine function of the Department to access medical records for the purpose of responding to immediate threats to the public health, welfare, or general good; however, the Department does not currently track this information and will require additional staff to create a database, manage the data, and comply with the reporting timelines outlined in this legislation.

- Based on information provided by the Department, it is estimated that an additional seven epidemiologist positions will be needed to coordinate and collate the data in statewide regional offices; the Division of Policy, Planning, and Assessment will need one additional epidemiologist position; The Division of Health Related Boards will require two epidemiologist positions and one administrative assistant; the Board for Licensing Health Care Facilities will require two epidemiologist positions and one administrative assistant.
- A recurring increase in state expenditures of \$822,102 incurred by the central office of the Department for 8 additional epidemiologist positions, 7 at regional offices statewide and 1 additional position at the Division of Policy, Planning, and Assessment (salaries \$614,400 + benefits \$191,702 + communications/phone \$11,200 + supplies \$4,800).
- A one-time increase in state expenditures of \$34,400 (office furniture \$21,600 + computers \$12,800).
- A recurring increase in state expenditures of \$270,511 incurred by the Division of Health Related Boards for 2 additional epidemiologist positions and 1 additional administrative assistant position (salaries \$200,748 + benefits \$65,163 + communications \$2,800 + supplies \$1,800).
- A one-time increase in state expenditures of \$12,900 (office furniture \$8,100 + computers \$4,800).
- Pursuant to Tenn. Code Ann. § 4-29-121, all boards under the Division of Health Related Boards are required be self-supporting over any two year period. An increase in expenditures for 2 additional epidemiologist positions and 1 additional administrative assistant position will be shared among all boards under the Division. The Division of Health Related Boards had surpluses of \$2,782,762 in FY13-14, \$3,896,353 in FY14-15, and a cumulative reserve balance of \$27,255,722 on June 30, 2015.
- A recurring increase in state expenditures of \$270,511 incurred by the Board for Licensing Health Care Facilities for 2 additional epidemiologist positions and 1 additional administrative assistant position (salaries \$200,748 + benefits \$65,163 + communications \$2,800 + supplies \$1,800).
- A one-time increase in state expenditures of \$12,900 (office furniture \$8,100 + computers \$4,800).
- Pursuant to Tenn. Code Ann. § 68-11-216(b)(1)-(2), the Board is required to collect fees in an amount sufficient to pay the costs of operating the Board. All fees collected by the Board are deposited by the Department of Health with the State Treasurer to the credit of the General Fund and shall be expended by the Department and included in the appropriation made for the Board in the *General Appropriations Act*.
- If the Board fails to collect sufficient fees to pay the costs of operating the Board for a period of two consecutive years, the Board shall be reviewed by the Joint Evaluation Committees and shall be subject to a revised termination date of June 30 of the fiscal year immediately following the second consecutive fiscal year during which the Board operated at a deficit.
- The Board had operating net surpluses of \$386,355 in FY13-14 and \$401,492 in FY14-15; as a result, it is assumed the Board will not increase fees pursuant to Tenn. Code Ann. § 68-11-216(b)(1)-(2).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb